CONFIDENTIAL

October 25, 2021

BASE CARBON CORP.
18 King Street East, Suite 902
Toronto, ON, M5C 1C4

Via Email to: [redacted]

Attention: Michael Costa, Chief Executive Officer

Dear Sir:

Re: Acquisition of Issued and Outstanding Shares of Base Carbon Corp.

This letter agreement ("**Letter Agreement**") sets out our mutual understanding of the terms and conditions upon which 1287411 B.C. Ltd. ("**Acquiror**") will become the direct or indirect holder of all of the issued and outstanding shares of Base Carbon Corp. ("**Base**"). Acquiror is a "reporting issuer" in the Provinces of British Columbia and Alberta (together, the "**Reporting Provinces**"), and it is intended that the Transaction (as defined herein) will result in a reverse take-over of Acquiror by Base. Subsequent to the completion of the Transaction (as defined herein), Base intends to cause the resulting shares of the Acquiror to be listed on the NEO Exchange ("**NEO**").

The acceptance of this Letter Agreement will be followed by the negotiation of definitive documentation the "**Transaction Documents**"), including if determined by either of the parties hereto (each, a "**Party**" and together, the "**Parties**") to be necessary or advisable a definitive agreement (the "**Definitive Agreement**") setting forth more detailed terms of the Transaction and containing the material terms and conditions set out in this Letter Agreement and such other terms and conditions as are customary for transactions of the nature and magnitude contemplated herein; provided that so long as a Definitive Agreement is not entered into by the Parties, this Letter Agreement shall be deemed to be a Transaction Document. All documentation shall be in form and content reasonable satisfactory to each of Acquiror and Base.

Subject to the conditions set forth herein, the terms of this Letter Agreement are intended to and create binding obligations on Acquiror and Base.

Terms of Transaction and Related Matters

1. Subject to the terms hereof, Acquiror and Base will enter into a business combination by way of an amalgamation, merger, arrangement, takeover bid, share purchase or other similar form of transaction or a series of transactions that have a similar effect (the "**Transaction**"). The Parties agree that the final structure of the Transaction is subject to receipt of final tax, corporate and securities law advice for both Acquiror and Base; provided that the Transaction shall be structured so as to provide the holders of shares of common shares of Base (the "**Base Shares**") to the extent reasonably practicable, with the tax benefits previously contemplated by Base.

2. As of the date of this Letter Agreement, 73,129,500 Base Shares are issued and outstanding and 3,500,000 options to purchase Base Shares. Notwithstanding the foregoing, Base may issue additional Base Shares or other convertible, exchangeable or exercisable securities before the effective date of the Transaction, including options or in connection with an acquisition or purchase of assets or shares, at a price not less than CDN$0.50**.**

3. As of the date of this Letter Agreement, the authorized share capital of Acquiror consists of an unlimited number of common shares without nominal or par value (the "**Acquiror Shares**"), of which 4,000,000 Acquiror Shares are issued and outstanding, and 100,000 options to acquire the same number of Acquiror Shares (the "**Acquiror Options**") are issued and outstanding. Parties hereby agree and acknowledge that all of the Acquiror Options will be exercised or cancelled in accordance with their terms prior to the Closing Date (as defined herein). The Parties hereby acknowledge and agree that in connection with completion of the Transaction, (a) the Acquiror Shares outstanding immediately prior to the completion of the Transaction will be consolidated into that number of common shares (the "**Maximum Acquiror Shares**") that is equal to: (i) CND$760,000 (the "**Equivalent Value**"), divided by the Equivalent Price Per Share (as defined herein) (the class of Acquiror Shares upon completion of such consolidation being, the "**Acquiror Consolidated Shares**"), (b) no other Acquiror Consolidated Shares will be reserved for issuance or be issuable by Acquiror prior to the completion of the Transaction, whether pursuant to any convertible securities of Acquiror or otherwise, (c) provided that the Equivalent Value has been agreed to on the basis that all of the Acquiror Options have be exercised in full in accordance with their terms immediately prior to the Closing Date (as defined herein), that all Acquiror Shares issuable in connection with the exercise of the Acquiror Options form part of the Maximum Acquiror Shares and that the exercise proceeds included in and form a part of the Equivalent Value, and (d) the Equivalent Value will need to be adjusted to take into account any Acquiror Options that are cancelled and not exercised.

   "**Equivalent Price Per Share**" means the price per PP Security (as defined herein).

4. Prior to the completion of the Transaction, the Acquiror will diligently seek shareholder approval, by way of consent resolution of shareholders (the "**Shareholder Approval**") in accordance with applicable corporate and securities laws and the policies of the NEO, to effect (i) a change of its name to such name as may be requested by Base and acceptable to the applicable regulatory authorities (the "**Name Change**"); (ii) a consolidation of the Acquiror Shares on a basis required to ensure that the Acquiror has no more than the Maximum Acquiror Shares issued and outstanding (the "**Consolidation**"); (iii) a continuance of the Acquiror to the Province of Ontario (the "**Continuance**"), including, upon receipt of final tax, corporate and securities law advice, in each case with such rights and restrictions as proposed by Base, the creation of a new class of preferred shares, if determined to be necessary by Base; (iv) the election of nominees of Base to the board of directors of Acquiror conditional upon the completion of the Transaction; (v) the approval of an equity incentive plan, as determined by Base; (vi) the Transaction or a component thereof (as may be required by the NEO or as appropriate in lieu of one or more of the foregoing resolutions); and (vii) such other matters as Base may reasonably request in connection with the completion of the Transaction.

5. Prior to the completion of the Transaction, Base will use commercially reasonable efforts to complete a private placement of common shares, units, special warrants, subscription receipts or other security (each, a "**PP Security**") at a price per PP Security to be

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determined in the context of the market, but having an effective price of no less than CDN$0.50 per PP Security, to raise aggregate gross proceeds of up to CDN$45,000,000, or such larger amount as may be agreed to by the applicable parties to such private placement, and on other terms and conditions reasonably acceptable to Base (the "**Private Placement**"). PP Securities may, depending upon their terms, be convertible, for no additional consideration, into one common share of Base, which Base Shares, or other securities including warrants or units, as applicable, shall be exchanged for no additional consideration by the holders thereof for Acquiror Consolidated Shares, or other securities of the Acquiror, as applicable, by way of an amalgamation among Acquiror and Base and, if determined to be appropriate by Base, a subsidiary of Acquiror or other appropriate entity, by way of a share exchange transaction between Acquiror and the holders of Base Shares or by way of an amalgamation transaction with similar effect (the "**Amalgamation**"), in connection with the completion of the Transaction, and which shares of Acquiror shall be freely-tradable in each of the provinces and territories of Canada, subject to any escrow restrictions which may be imposed by the NEO.

6. The Parties hereby acknowledge that instead of Base Shares, subject to market conditions at the time of pricing the Private Placement, compensation options ("**Base Compensation Options**") to acquire either Base Shares may be issued to certain dealer brokers on terms and conditions to be determined in the context of the market, which Base Compensation Options shall be adjusted or exchanged, for no additional consideration, for economically equivalent securities of Acquiror pursuant to the Amalgamation in connection with the completion of the Transaction, and the resulting securities of Acquiror shall be freely-tradable in each of the provinces and territories of Canada, subject to any escrow restrictions which may be imposed by the NEO.

7. Pursuant to the applicable steps of the Transaction, including the Amalgamation, the capital of Acquiror and Base shall be reorganized such that, among other things:

   (a) the existing shareholders of Acquiror (including upon the exercise of the Acquiror Options) shall become holders of the Maximum Acquiror Shares pursuant to Section 2, based on the Equivalent Value and the Equivalent Price Per Share;

   (b) the holders of Base Shares shall become holders of Acquiror Consolidated Shares based on a one-for-one exchange ratio;

   (c) the holders of any Base Compensation Options shall become holders of compensation options to acquire Acquiror Consolidated Shares, or Acquiror units comprised of Acquiror Consolidated Shares and warrants exercisable to acquire Acquiror Consolidated Shares, based on a one-for-one exchange ratio; and

   (d) Acquiror shall become the direct or indirect holder of all outstanding Base Shares.

8. Each of the Acquiror and Base covenants and agrees to forthwith to use its best efforts to complete the preparation of financial statements as required by the NEO and applicable securities laws, which will include audited annual financial statements for its most recently completed fiscal year and if, and as required, interim financial statements for its most recently completed interim period following its most recently completed fiscal year, all as audited or reviewed by the auditors of the Acquiror and Base, as applicable, as required by, and in accordance with, applicable securities regulations and the policies of the NEO.

9. Upon closing of the Transaction, all directors of the Acquiror shall resign and the board of directors of the Acquiror shall be reconstituted in accordance with the Shareholder

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Approval, and all officers of the Acquiror shall resign and be replaced by nominees of Base, in a manner that complies with the requirements of the NEO and applicable securities and corporate laws.

Conditions Precedent

10. The completion of the Transaction shall be subject to the following conditions precedent being satisfied prior to the date of closing of the Transaction (the "**Closing Date**"):

(a) Conditions Precedent for the Benefit of Acquiror:

(i) receipt of the following approvals and consents for the Transaction:

(A) all requisite approvals of Acquiror's shareholders, as required by the NEO or applicable corporate or securities laws, to consummate the Transaction;

(B) any requisite approvals of Base's shareholders, whether under applicable corporate or securities laws or otherwise, to consummate the Transaction; and

(C) the conditional approval of NEO for the listing of the Acquiror Consolidated Shares contemplated to be outstanding upon completion of the Transaction (including Acquiror Consolidated Shares issuable upon exercise, exchange, redemption or conversion of convertible securities of Acquiror and/or Base contemplated to be outstanding upon completion of the Transaction); and

(D) the approval of any Persons from whom Base must obtain consent including any lenders or financial institutions, federal, state, provincial and local regulators, licensors and strategic partners;

(ii) no material adverse change shall have occurred in the business, results of operations, assets, liabilities, condition (financial or otherwise) or affairs of Base (considered on a consolidated basis) between the date that an external auditor issues an opinion as to the applicable financial statements of Base and the completion of the Transaction, it being agreed that the mere existence of the COVID-19 pandemic shall not be deemed a material adverse change;

(iii) the representations and warranties of Base contained in the Transaction Documents and addressed to Acquiror shall be true and correct in all material respects as of the Closing Date, other than as a result of any change, agreed upon by the Parties, in any component of the Transaction or any transactions related thereto;

(iv) there being no prohibition under applicable laws against consummation of the Transaction;

(v) no legal proceeding shall be pending or threatened in writing wherein an unfavourable judgment, order, decree, stipulation or injunction would (A) prevent consummation of any component of the Transaction or any transaction related to the Transaction, or (B) cause any component of the

Transaction or any transaction related to the Transaction to be rescinded following consummation;

(vi) no inquiry or investigation (whether formal or informal) in relation to Base or its directors, officers or shareholders shall have been commenced or threatened by the NEO, any relevant securities commission or other federal, state, provincial or local regulatory body having jurisdiction, such that the outcome of such inquiry or investigation could have a material adverse effect on Acquiror after giving effect to the Transaction; and

(vii) Base shall be in compliance in all material respects with the terms of the Transaction Documents; and

(viii) the Private Placement shall have been completed for aggregate gross proceeds of no less than CDN$45,000,000**.**

(b) Conditions Precedent for the Benefit of Base:

(i) receipt of the following approvals and consents for the Transaction:

(A) all requisite approvals of Acquiror's shareholders, as required by the NEO or applicable corporate or securities laws, to consummate the Transaction;

(B) any requisite approvals of Base's shareholders, whether under applicable corporate or securities laws or otherwise, to consummate the Transaction;

(C) the conditional approval of NEO for the listing of the Acquiror Consolidated Shares contemplated to be outstanding upon completion of the Transaction (including Acquiror Consolidated Shares issuable upon exercise, exchange, redemption or conversion of convertible securities of Acquiror and/or Base contemplated to be outstanding upon completion of the Transaction); and

(D) the approval of any Persons from whom Base must obtain consent including any lenders or financial institutions, federal, state, provincial and local regulators, licensors and strategic partners;

(ii) at the request of Base, each shareholder of the Acquiror will enter into a lock-up agreement on the same release terms as the directors and officers of Base;

(iii) each Acquiror Consolidated Share issuable pursuant to the Transaction shall be issued or be issuable as fully paid and non-assessable shares in the capital of the Acquiror, free and clear of any and all encumbrances, liens, charges, demands of whatsoever nature, except those imposed pursuant to the escrow restrictions of the NEO, and shall be exempt from the prospectus requirements of applicable Canadian securities laws in each of the provinces and territories of Canada either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces and territories of Canada or by virtue of applicable exemptions under such Canadian securities laws and such securities shall not be

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subject to resale restrictions under applicable Canadian securities laws (other than as applicable to control persons, pursuant to section 2.6 of National Instrument 45-102 – *Resale of Securities*);

(iv) the director nominees of Base shall have been elected to the board of directors of Acquiror, conditional upon the completion of the Transaction, and the management nominees of Base (the "**Base Management Nominees**") shall have been duly appointed as the management of Acquiror as of the time of closing of the Transaction;

(v) no material adverse change shall have occurred in the business, results of operations, assets, liabilities, condition (financial or otherwise) or affairs of Acquiror between the date of signing this Letter Agreement and the completion of the Transaction except for the expenditure of funds or incurrence of accrued liabilities required to maintain Acquiror's status as a reporting issuer in good standing in the Reporting Provinces, or as otherwise required in connection with the completion of the transactions contemplated in this Letter Agreement, it being agreed that the mere existence of the COVID-19 pandemic shall not be deemed a material adverse change;

(vi) the representations and warranties of Acquiror contained in the Transaction Documents shall be true and correct in all material respects as of the Closing Date, other than as a result of any change in the issued and outstanding securities of Acquiror as a result of the Transaction as contemplated under this Letter Agreement;

(vii) all liabilities of Acquiror, other than liabilities incurred in connection with the transactions contemplated herein or incurred following the date hereof to maintain the Acquiror's status as a reporting issuer not in default in the Reporting Provinces, shall have been satisfied or converted into Acquiror Shares (which additional Acquiror Shares will form part of the Maximum Acquiror Shares) (the "**Debt Conversion**");

(viii) there being no prohibition under applicable laws against consummation of the Transaction;

(ix) no legal proceeding shall be pending or threatened in writing wherein an unfavourable judgment, order, decree, stipulation or injunction would (A) prevent consummation of any component of the Transaction or any transaction related to the Transaction, or (B) cause any component of the Transaction or any transaction related to the Transaction to be rescinded following consummation;

(x) no inquiry or investigation (whether formal or informal) in relation to Acquiror or its directors, officers or shareholders shall have been commenced or threatened by the NEO, any securities commission or other federal, state, provincial or local regulatory body having jurisdiction, such that the outcome of such inquiry or investigation could have a material adverse effect on Acquiror after giving effect to the Transaction;

(xi) Acquiror shall be in compliance in all material respects with the terms of the Transaction Documents;

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(xii) all directors, officers and members of management of Acquiror shall have delivered resignations and releases in form and substance reasonably acceptable to Base, and no termination, severance or other fees shall be payable to any such directors, officers or members of management of Acquiror in connection with such resignations and releases;

(xiii) the NEO shall not have objected to the appointment of the Base nominees to the board of directors of Acquiror, or of the Base Management Nominees to the management of Acquiror, each upon closing of the Transaction;

(xiv) immediately prior to the Closing Date, no more than the Maximum Acquiror Shares will be issued and outstanding and no other Acquiror Shares will be reserved for issuance or be issuable, whether pursuant to any convertible, exchangeable or exercisable securities of Acquiror or otherwise; and

(xv) the Private Placement shall have been completed for aggregate gross proceeds of no less than CDN$45,000,000.

(c) Conditions Precedent and Right of Waiver:

The conditions precedent set out in Section 10(a) are for the sole benefit of Acquiror, and may be waived in whole or in part only by the Acquiror. The conditions precedent set out in Section 10(b) are for the sole benefit of Base, and may be waived in whole or in part only by Base. No waiver under this Section 10 shall be of any effect unless it is in writing signed by the Party or Parties granting the waiver.

Representations and Warranties of Base

11. Base represents and warrants to Acquiror as of the date hereof as follows:

(a) the issued share capital of Base, as of the date of this Letter Agreement, consists of a total of 73,129,500 Base Shares, which are validly issued and outstanding as fully paid and non-assessable shares of Base and 3,500,000ptions to purchase Base Shares; provided that notwithstanding the foregoing, Base may issue additional Base Shares or other convertible, exchangeable or exercisable securities before the effective date of the Transaction at a price not less than CDN$0.50;

(b) Base has been formed and is existing under the laws of the Province of Ontario, and is not and will not be a reporting issuer or the equivalent in any jurisdiction at the time of the Transaction;

(c) there are no material claims, actions, suits, judgments, litigation or proceedings outstanding, pending, or to Base's knowledge, threatened against Base (considered on a consolidated basis);

(d) Base has the corporate power and authority to enter into this Letter Agreement and to carry out the transactions contemplated hereby, and the execution and delivery of this Letter Agreement and the completion of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Base, subject to those approvals that will be obtained prior to completion of the Transaction, including receipt of any requisite approvals of shareholders of Base that may be required; and

(e) other than the approval of the NEO and any requisite approvals of shareholders of Base that may be required, no permit, authorization or consent of any Person is necessary on the part of Base for the consummation by Base of the Transaction, and the execution and delivery of this Letter Agreement and the consummation by Base of the Transaction will not result in a material violation or material breach of, or constitute (with or without due notice or lapse of time or both) a material default under any material indenture, agreement or other instrument to which Base is a party or by which it is bound.

Representations and Warranties of Acquiror

12. Acquiror represents and warrants to Base, both as of the date hereof, and as of the Closing Date, as follows:

(a) 100,000 options to acquire the same number of Acquiror Shares are issued and outstanding and 3,750,001 Acquiror Shares are validly issued and outstanding as fully paid and non-assessable shares in the capital of Acquiror as of the date hereof and no more than the Maximum Acquiror Shares will be issued and outstanding as of immediately prior to the Closing Date and no other Acquiror Shares will be reserved for issuance or be issuable as of immediately prior to the Closing Date;

(b) other than the Acquiror Options or as otherwise described in this Letter Agreement, no Person has any agreement, right or option (whether direct, indirect or contingent or whether pre-emptive, contractual or by law) to purchase or otherwise acquire any of the unissued shares in the capital of Acquiror or for the issue of any other unissued securities of any nature or kind of Acquiror;

(c) Acquiror is incorporated, existing and in good standing under the laws of the Province of British Columbia and is a "reporting issuer" in the Provinces of British Columbia and Alberta within the meaning of applicable securities legislation in good standing and not included in a list of defaulting reporting issuers maintained by the applicable securities regulators in such provinces, and no securities commission, securities exchange or court has issued any order or obtained any undertaking adversely impacting or preventing the Transaction or the trading of any securities of Acquiror, and no proceedings for such purpose are pending or, to the best knowledge of Acquiror, are threatened;

(d) Acquiror does not have any subsidiaries or any equity or other interests in any other Person;

(e) there is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of Acquiror, threatened of or against Acquiror before any court, regulatory or administrative agency or tribunal;

(f) Acquiror is not in breach or default of, and the execution and delivery of this Letter Agreement and the performance by Acquiror of its obligations hereunder, do not and will not conflict with or result in a breach or violation of any of the terms of or provisions of, or constitute a default under, whether after notice or lapse of time or both (i) any applicable laws, including applicable securities laws; (ii) the articles, by-laws or resolutions of Acquiror; (iii) any agreement, debt instrument or other

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instrument or arrangement of or binding Acquiror; or (iv) any judgment, decree or order binding Acquiror or its properties or assets;

(g) there are no claims, actions, suits, judgments, orders, litigation or proceedings outstanding, pending against or affecting Acquiror, and Acquiror is not aware of any existing ground on which any such claim, action, suit, judgment, order, litigation or proceeding might be commenced;

(h) Acquiror has the corporate power and authority to enter into this Letter Agreement and to carry out the transactions contemplated hereby and the execution and delivery of this Letter Agreement and the completion of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Acquiror, subject to the receipt of all requisite shareholder approvals of Acquiror;

(i) this Letter Agreement constitutes a valid and binding obligation of Acquiror enforceable against it in accordance with its terms subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought;

(j) other than the approval of the NEO and the shareholders of Acquiror, no permit, authorization or consent of any Person is necessary for the consummation by Acquiror of the Transaction, and the execution and delivery of this Letter Agreement and the consummation by Acquiror of the Transaction will not result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default under any statute, regulation, law, judgment, order or decree to which Acquiror is subject or by which it is bound or any indenture, agreement or other instrument to which Acquiror is a party or by which it is bound;

(k) since September 30, 2021: (i) there has not been any material change in the business, assets, liabilities, obligations (absolute, accrued, contingent or otherwise), condition (financial or otherwise), prospects or results of operations of Acquiror; (ii) there has not been any material change in the equity capital or long-term debt of Acquiror; and (iii) Acquiror has carried on business in the ordinary course;

(l) since incorporation, Acquiror has carried on no active business other than seeking assets or businesses to merge with or acquire;

(m) all documents and information filed by the Acquiror on SEDAR subsequent to incorporation were true and correct in all material respects as of the respective dates of such documents and information and contained all material facts pertaining to the securities of Acquiror and did not omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. Since incorporation, Acquiror has been in compliance in all material respects with its timely and continuous disclosure obligations under applicable securities laws in Canada, including insider reporting obligations, and, without limiting the generality of the foregoing, there has been no material change or material fact as to Acquiror that has occurred, which has not been publicly disclosed. Acquiror has not filed any confidential material change reports which remain confidential and there are

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no circumstances existing under which liability is or would reasonably be expected to be incurred under Part 16.1 – Civil Liability for Secondary Market Disclosure of the Securities Act (British Columbia) and analogous provisions under applicable securities laws in the Province of Ontario. All documents and information filed by or behalf of Acquiror on SEDAR subsequent to incorporation together constitute full, true and plain disclosure of all material facts relating to Acquiror and the securities of Acquiror;

(n) all information relating to Acquiror and its business, assets, properties and liabilities, provided or made available to Base by Acquiror is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. Acquiror has provided to Base all, and not withheld from Base any, material facts relating to Acquiror and the securities of Acquiror;

(o) as of the date hereof, Acquiror has no cash or assets and only liabilities incurred in relation to its incorporation, status of being a reporting issuer and ordinary business of finding a transaction; and

(p) Acquiror has not carried on business other than pursuing a listing transaction.

Standstill and Agreement to Support Transactions

13. Base hereby agrees from the date hereof until the Termination Date (as hereinafter defined):

(a) not to initiate, propose, assist or participate in any activities or solicitations in opposition to or in competition with the Transaction and, without limiting the generality of the foregoing, not to induce or attempt to induce any other Person to initiate any shareholder proposal, acquisition of outstanding Base Shares (other than in connection with any private placements or corporate or asset acquisitions by Base and other than any other transaction, in each case that is not inconsistent with completion of the Transaction) or any other form of transaction inconsistent with completion of the Transaction, and not to take actions of any kind which may be reasonably expected to reduce the likelihood of success of the Transaction, except as required by statutory law;

(b) to disclose to Acquiror any unsolicited offer it has received of any amalgamation, arrangement, merger, business combination, take-over bid, tender or exchange offer, variation of a take-over bid, tender or exchange offer or similar transaction involving Base made to the board of directors or management of Base, or directly to Base's shareholders;

(c) to use its reasonable commercial efforts to complete the Transaction and to use its reasonable best efforts not take any action contrary to or in opposition to the Transaction;

(d) not to alter or amend Base's articles or by-laws in any manner which may adversely affect the success of the Transaction, except as is agreed to by Acquiror in writing or required to give effect to the matters contemplated herein;

(e) to use its reasonable commercial efforts to obtain all third party approvals required in respect of the Transaction, including any lenders or financial institutions, federal, state, provincial and local regulators, licensors and strategic partners; and

(f) to cooperate fully with Acquiror and to use all reasonable commercial efforts to assist Acquiror in its efforts to complete the Transaction unless such cooperation and efforts would subject Base to liability or constitute a violation of any law, rule or regulation applicable to Base.

14. Acquiror hereby agrees from the date hereof until the Termination Date:

(a) not to carry on any business except as contemplated herein;

(b) not to issue any debt or equity or other securities, except in respect of the exercise of the Acquiror Options and in respect of the Debt Conversion (provided that such securities, to the extent that they are not Acquiror Shares, they shall be converted into or exercised in full for Acquiror Shares as of immediately prior to the Closing Date and all Acquiror Shares issued in connection with the Debt Conversion shall form part of the Maximum Acquiror Shares) or as contemplated herein and agreed to by Base, or declare or pay any dividends or distribute any of Acquiror's property or assets to shareholders;

(c) not to borrow any money or incur any indebtedness (except for trades payable incurred in the ordinary course);

(d) not to alter or amend Acquiror's articles or by-laws or create any subsidiary except as contemplated herein and agreed to by Base;

(e) not to enter into any transaction or contract, except as contemplated herein, without the prior written consent of Base;

(f) not to initiate, propose, assist or participate in any activities or solicitations in opposition to or in competition with the Transaction and, without limiting the generality of the foregoing, not to take any actions to give effect to the completion of any transactions other than the Transaction, not induce or attempt to induce any other Person to initiate any shareholder proposal, acquisition of Acquiror Shares or any other form of transaction inconsistent with completion of the Transaction, not to complete any fundraising activities and not to take actions of any kind which may reduce the likelihood of success of the Transaction, except as required by statutory law;

(g) to disclose to Base any unsolicited offer it has received: (i) for the purchase of its shares, or any portion thereof, or (ii) of any amalgamation, arrangement, merger, business combination, take-over bid, tender or exchange offer, variation of a take-over bid, tender or exchange offer or similar transaction involving Acquiror made to the board of directors or management of Acquiror, or directly to Acquiror's shareholders;

(h) to use its reasonable commercial efforts to obtain any third-party approvals required in respect of the Transaction;

(i) to cooperate fully with Base, and to use all reasonable commercial efforts to assist Base to complete the Transaction and to take all actions as are otherwise necessary to complete the Transaction, including satisfaction of all conditions

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precedent to the completion of the Transaction hereunder that are for the benefit of Base;

(j) to use its reasonable commercial efforts to cause all Acquiror shareholders to vote their Acquiror Shares in favour of the Transaction and related matters, and otherwise approve the Transaction and related matters as required; and

(k) holders of Base Shares shall be entitled to make a joint income tax election with Acquiror, pursuant to Section 85 of the *Income Tax Act* (Canada) (and any analogous provision of provincial income tax law), to have the such holder's disposition of Base Shares to Acquiror occur on a full or partial tax-deferred basis for purposes of the Income Tax Act (Canada) (and any analogous provision of provincial income tax law).

Escrow

15. The Parties acknowledge that a portion of the Acquiror Consolidated Shares and other securities of Acquiror may be subject to escrow restrictions which shall be imposed by the policies of the NEO or lock-up restrictions which shall be imposed pursuant to the terms of the Private Placement. The Parties further acknowledge that these escrowed shares shall be held in escrow and released, over time, as determined by the NEO and that these locked-up shares shall be subject to transfer restrictions. The Parties agree that the terms of the escrow and/or lock-up shall be negotiated by counsel for Base, in consultation with counsel for Acquiror, and the NEO, and the Parties agree to accept such terms as imposed by the NEO provided such escrow is in compliance with the policies of the NEO or as agreed by Base pursuant to the Private Placement. The Parties agree to use their reasonable commercial efforts to obtain the most advantageous escrow terms and lock-up for securityholders of Base and the other contemplated holders of the Acquiror Consolidated Shares and other securities of Acquiror.

Expenses

16. Base shall be responsible for all reasonable costs and expenses incurred with respect to the transactions contemplated herein including, without limitation, all costs, charges, fees and disbursements relating to preparing the Transaction Documents and all costs and fees in relation to listing on the NEO and in connection with the concurrent financing and structuring the Transaction.

Each party shall permit the other party to review the preparation of all documentation to be sent to shareholders of such party or otherwise used in connection with the approval of the Transaction. Base shall also be responsible for the reasonable fees (with accompanying detail provided to Base), disbursements and taxes of Acquiror counsel incurred in connection with the transactions contemplated under this Agreement. Such fees are in the aggregate not to exceed CND$50,000.

Notwithstanding the foregoing, in the event that the Transaction does not close, each of the Parties shall be responsible for their own fees and expenses, unless Base terminates this Agreement based on its decision to pursue an alternative transaction, in which case Base shall pay the fees of Acquiror counsel and all other expenses of Acquiror related to the Transaction, including any accounting/audit fees.

Closing and Good Faith Negotiations

17. Acquiror and Base agree to proceed diligently and in good faith to negotiate and settle the terms of the Transaction Documents for execution, and to complete all transactions contemplated herein as soon as reasonably practicable.

Confidentiality and Notice Obligations

18. No disclosure or announcement, public or otherwise, in respect of this Letter Agreement or the transactions contemplated herein will be made by any Party without the prior agreement of the other Party as to timing, content and method, provided that the obligations herein will not prevent any Party from making such disclosure or announcement as its counsel advises is required by applicable law or the policies of the NEO. If a Party is required by applicable law or the policies of the NEO to make such disclosure or announcement, such Party will use commercially reasonable efforts to provide reasonable notice of such disclosure or announcement to the other Party, including the proposed text of such disclosure or announcement, and provide the other Party with a reasonable opportunity to review and comment on the same, which comments shall be reasonably considered by the first Party. Base shall have the right to receive advance notice of any public filings to be made by Acquiror and Acquiror shall provide Base and its legal counsel with a reasonable period in advance to review and comment on such proposed public filings, which comments shall be reasonably considered by Acquiror.

19. The Parties acknowledge that their rights and obligations under this Letter Agreement shall in no way derogate from their rights and obligations in the Confidentiality and Non-Disclosure Agreement effective as of October 25, 2021 (the "**NDA**") entered into by the Parties in connection with the Transaction.

Termination

20. This Letter Agreement shall terminate with the Parties having no obligations to each other, other than in respect of the cost and expense provisions contained in Section 16, the confidentiality provisions contained in Sections 18 and 19, and the choice of law and jurisdiction provision contained in Section 22, and other than in respect of the liability of a Party for breach of any of the representations, warranties, covenants or other terms or conditions set forth herein before the termination, on the day (the "**Termination Date**") on which the earliest of the following events occurs:

    (a) written agreement of the Parties to terminate this Letter Agreement;

    (b) for the purposed of completing due diligence, upon written notice of one Party to the other Party prior to the date that is the earlier of: (i) the agency agreement being signed in connection with the Private Placement, or (ii) the closing of the Private Placement;

    (c) the Transaction is not completed on or prior to January 31, 2022;

    (d) upon written notice from Base to Acquiror, in the event that there shall be any material change or change in a material fact in respect of Acquiror, or there should be discovered any previously undisclosed material fact required to be disclosed by Acquiror or new material fact in respect of Acquiror, which, in the reasonable opinion of Base, has or would be expected to have an adverse effect on the

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business, affairs, prospects, results of operations, assets, liabilities, capital or condition (financial or otherwise) of Acquiror (post-Transaction) or Base (each considered on a consolidated basis), and such material change, change in material fact, newly discovered material fact or new material fact, is not remedied to the satisfaction of Base, acting reasonably, within five (5) business days of receipt of such notice;

(e) upon written notice from Base to Acquiror, in the event that Acquiror is in breach of any material term, condition or covenant of this Letter Agreement or any representation or warranty given by Acquiror in this Letter Agreement is false in any material respect and such breach or falsehood is not remedied to the satisfaction of Base, acting reasonably, within five (5) business days of receipt of such notice; and

(f) upon written notice from Acquiror to Base, in the event that Base is in breach of any material term, condition or covenant of this Letter Agreement or any representation or warranty given by Base in this Letter Agreement is false in any material respect and such breach or falsehood is not remedied to the satisfaction of Acquiror, acting reasonably, within five (5) business days of receipt of such notice.

Miscellaneous

21. For purposes of this Letter Agreement, "**Person**" means an individual, body corporate, limited liability company, sole proprietorship, partnership, trust, unincorporated association, unincorporated syndicate, unincorporated organization, or another entity, a natural person acting in his or her individual capacity or in his or her capacity as executor, trustee, administrator or legal representative, and any governmental authority.

22. This Letter Agreement shall be governed in all respects, including validity, interpretation and effect, in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the undersigned hereby irrevocably attorn to the non-exclusive jurisdiction of the Courts of the Province of Ontario in respect of any matter arising hereunder or in connection herewith.

23. No amendment, modification, restatement or supplement of this Letter Agreement or any provision of this Letter Agreement is binding unless it is in writing and executed each Party.

24. All dollar amounts expressed herein are in Canadian currency, unless otherwise specified.

25. This Letter Agreement will be binding upon, and will inure to the benefit of and be enforceable by, the Parties and their respective successors, permitted assigns, executors and administrators. No assignment of this Letter Agreement will be permitted without the written consent of the other Party.

26. This Letter Agreement and the NDA contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings with respect thereto.

27. This Letter Agreement may be executed in counterparts and evidenced by a facsimile or PDF email copy thereof and all such counterparts or facsimile or PDF counterparts shall constitute one document.

[redacted]

[redacted]

If the terms of this Letter Agreement are acceptable, please communicate your acceptance by executing the duplicate copy hereof in the appropriate space below and returning such executed copy to us by facsimile or PDF copy to the attention of the undersigned.

[redacted]

[redacted]

Yours very truly,

1287411 B.C. LTD.

Per: (signed) "James Ward"

Name: James Ward

Title: Chief Executive Officer

THE TERMS OF THIS LETTER AGREEMENT are hereby accepted as of the 25th day of October, 2021.

BASE CARBON CORP.

Per: (signed) "Michael Costa"

Name: Michael Costa

Title: Chief Executive Officer

[redacted]

[redacted]